

FIRST SET OF DOCUMENT AND INFORMATION REQUESTS OF
THE DEPARTMENT OF COMMUNICATIONS AND ENERGY TO
BOSTON GAS COMPANY, COLONIAL GAS COMPANY AND ESSEX GAS COMPANY
D/B/A KEYSpan ENERGY DELIVERY NEW ENGLAND

D.T.E. 04-62

Respondent: Elizabeth Danehy Arangio

Information Request DTE 1-37

- Q. Refer to Exhibit KED/AEL-1, pages 12 and 13. Explain why KeySpan did not charge Essex customers for the cost of the additional resources used to serve them under the current CGA structure.
- A. In the order approving the Eastern/Essex merger, the Department approved a proposal to charge Essex customers for the use of capacity held by Boston Gas and used to serve Essex customers. This payment is made by Essex customers in lieu of payments made on a specific pipeline contract formerly held by Essex and released following the merger. See, D.T.E. 98-27 (1998). To the extent that the Essex system requires additional resources (beyond the amounts included in the payment to Boston Gas), the Company meets that need through a combination of resources available through the portfolio. The Company does not track the type or amount of resources used from the combined portfolio to meet those incremental needs of Essex customers. As explained in response to Information Request DTE 1-23, the Company cannot compute a cost to be charged to Essex customers for the use of those resources. For that reason, the Company is proposing to pool the costs of the resources within the portfolio and to charge Essex for the portion of the resource portfolio needed to provide service to customers.